

May 1, 2009



About Dan

Services

Issues

Resources

Newsroom

District

Dear Friend,

It has unfortunately become all too common that I hear credit card horror stories from my constituents. The most frequent complaints I have heard is that credit card companies are imposing retroactive interest rate increases, reductions in credit limits, shortening of pay-off periods, the imposition of fees for paying off credit card balances on the phone, and other such practices which the Federal Reserve has labeled as deceptive. These practices are particularly troubling in light of the difficult economic circumstances faced by many in the 3rd Congressional District and the rest of our nation. To add insult to injury, some of the very institutions which have been the beneficiaries of taxpayer dollars have not shown a like concern for the plight of their customers.

I have not supported this legislation in the past because of concern that it might adversely affect the availability of credit for small business. However, this concern has been allayed in light of the fact that the National Federation of Independent Business (NFIB) endorsed the Credit Cardholder's Bill of Rights. Their letter of endorsement indicated that small businesses themselves have been the victim of credit card abuse. According to an NFIB poll, 74 percent of small employers have a business credit card. The poll showed that "in the last 12 months 14 percent did not receive credit for payments until well after the payment cleared and 11 percent were charged overdraft fees when the overdrafts were the exclusive result of bank holds."

In terms of the legislation itself, among other things the Credit Cardholders Bill of Rights includes the following provisions:

- prohibits a creditor from increasing the Annual Percentage Rate (APR) without written notice 45 days in advance;
- prohibits a creditor from double-cycle billing (charging interest on a paid amount);
- prohibits fees on balances that result only from interest accrued;
- states that failure to pay an interest-only balance

### Second Townhall of 2009!

#### Date and Time

June 1, 2009  
7:00PM to 8:30PM

#### Location

Folsom City Council  
Chambers  
50 Natoma Street  
Folsom, CA 95630

### E-mail Updates

**Yes, please  
periodically  
send me  
e-mail  
updates.\***

[Click Here](#)

\*By subscribing to my e-mail updates, you are authorizing me to send regular e-mail updates from my office to your e-mail account.

### Tell a Friend

E-mail:

E-mail:

E-mail:

[Send](#)

- would not constitute being in default;
- requires credit card statements to contain a toll-free number and website where the credit cardholder can request the payoff balance;
- prohibits a credit card company from issuing information to a credit rating agency until the consumer activates the credit card;
- requires credit card companies to use "high-to-low" or "pro rata" methods to allocate excess payment on a balance with multiple APRs;
- prohibits creditors from denying an interest-free grace period offer because of a promotional or deferred interest rate balance;
- requires companies to send statements at least 21 days before payment is due;
- requires due dates to be extended by a business day when the due date falls on a day when mail is not delivered or accepted;
- allows a credit cardholder to block over-the-limit transactions; and
- prohibits a credit card company from issuing a credit card to anyone under 18.

In the end, it is my view that the Credit Cardholders Bill of Rights will help to level the playing field between consumers and credit card companies. At a time when our nation is in the midst of economic peril this is essential to the public interest. For these reasons, I voted in support of the Credit Cardholders Bill of Rights when it came before the House on Thursday afternoon. The legislation has cleared the House and will now be sent to the Senate.

As always, please call if my office can be of assistance. My district office is right here in Gold River and can be reached at (916) 859-9906.

Sincerely,



Daniel E. Lungren  
Member of Congress

**Was this information helpful to you?**

- ☐ Yes  
☐ No

Submit & Join

**\*By answering this survey, you are  
subscribing to my newsletter**

[If you are having trouble, click here.](#)

Congressmen Lungren periodically sends e-mail newsletters to constituents of the 3rd District to inform them of issues before the Congress and provide generally helpful information. If you would like to unsubscribe, you are free to do so [here](#). If you unsubscribe you will no longer receive Congressman Lungren's emails.

Washington Office • 2262 Rayburn HOB • Washington DC 20515  
Phone: (202) 225-5716 • Fax: (202) 226-1298

District Office • 2339 Gold Meadow Way, Suite 220 #763 • Gold River, CA 95670  
Phone: (916) 859-9906 • Fax: (916) 859-9976

[Unsubscribe](#) | [Update My Profile](#) | [Private Policy](#)